

MAYOR

James Dodge

VILLAGE CLERK

Mary Ryan Norwell

14700 S. Ravinia Avenue
Orland Park, IL 60462
(708)403-6100
orlandpark.org



**ORLAND
PARK**

DEVELOPMENT SERVICES

TRUSTEES

William R. Healy

Cynthia Nelson Katsenes

Michael R. Milani

Dina M. Lawrence

John Lawler

Joanna M. Liotine Leafblad

Amendment Report to the Plan Commission

Establish Surety Bond Rating Requirement

Prepared: 10/13/2025

Project: 2025-0819 – Land Development Code Amendment: Establish Surety Bond Rating Requirements

Requested Approvals: Establish a surety bond minimum rating requirement in the Land Development Code for subdivision and public improvements.

PROPOSED AMENDMENT SUMMARY

The goal of this proposed amendment is to establish a minimum financial rating requirement for surety bonds submitted in connection with subdivision and public improvement projects.

Currently, the Land Development Code does not specify a minimum financial rating for corporate sureties that issue subdivision bonds. In comparison, many municipalities require that bonds be secured by surety companies holding a minimum A.M. Best Company rating of "A" to ensure adequate financial strength and reliability. This standard helps protect the Village in the event the developer defaults on required improvements.

A corporate surety is a licensed insurance or guarantee company that issues bonds guaranteeing completion of required public improvements. Establishing a minimum financial rating helps ensure that these companies possess sufficient financial capacity to fulfill their obligations. This change will promote consistency among bond submittals and strengthen financial protections for the Village.

PROPOSED AMENDMENT TEXT

Section 5-112.E – Guarantees for Improvement Completion.

Key: Added text is **Bold and Highlighted.**

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3. **Security Methods.** One of the following security methods shall be utilized to guarantee the completion of public improvements:

a. **Letter of Credit.**

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- b. **Other Guarantee Security Method.** The Board of Trustees may, at its discretion, approve any other security method, **including surety bonds. Surety bonds must be issued by a corporate surety licensed to do business in the State of Illinois and having a current A.M. Best Company rating of "A" or better.**

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STAFF RECOMMENDED ACTION

Regarding Case Number 2025-0819 – Land Development Code Amendment: Establish Surety Bond Rating Requirements, Staff recommends to accept and make findings of fact as discussed at this Plan Commission meeting and within the Staff Report dated October 13, 2025;

And

Staff Recommends the Plan Commission **approves** the Land Development Code Amendment for Section 5-112.E.3.b.

STAFF RECOMMENDED MOTION

Regarding Case Number 2025-0819 - Land Development Code Amendment: Establish Surety Bond Rating Requirements, I move to approve the Staff Recommended Action as presented in the Staff Report to the Plan Commission for this case.